

BLUE MOUNTAIN DISTRIBUTION SYSTEM ANNUAL MEETING

FEBRUARY 27, 2008

The annual meeting of the Blue Mountain Distribution System was called to order by Chairman Gary Halls at 7:05 p.m. The first item of business was the reading of the minutes of the 2007 annual meeting by Marc Stilson, there were no corrections or additions to be made. A motion was made by Kedric Somerville, and seconded by Joseph Barton, to accept the minutes. The motion passed.

Mr. Halls asked for a review of the Commissioner's Report for 2007. Commissioner Chet Johnson indicated that 2007 was a very poor water year. Water was turned into Shingle Mill on May 5, 2007. Clem Washburn made a motion to accept the report, and the motion was seconded by Francis Barton. All present voted in the affirmative.

A report from the Division of Water Rights was next on the agenda. Mr. Lee Sim discussed the water right enforcement program. Until this year, the identity of an individual who had submitted an enforcement referral to the division did not have a guarantee of confidentiality. Based upon experience with pursuing enforcement actions and on a review of the GRAMA act, the identity of an informant can be treated as a protected record and be kept confidential.

Chairman Gary Halls asked Mr. Sim to review the 2007 Financial Statement. Mr. Sim indicated that as of January 1, 2007 there was \$772.62 in the Trust Account. Receipts during 2007 totaled \$1,048.33. Regular assessments accounted for \$1,000.00. The account earned \$48.33 in interest. Expenditures for the year totaled \$1,706.55. As of December 31, 2007, there was \$114.40 in the account. There are no delinquent accounts. A motion was made by Kedric Somerville, and seconded by Clem Washburn, to accept the Financial Statement. The vote was unanimous.

It was noted that the snowpack at the Camp Jackson Snotel station is currently 195% compared to 13% in 2007.

Mr. Halls indicated that the next item of business was the preparation of the budget for 2008. After a brief discussion, it was decided that the following budget would meet the anticipated needs of the system. The 2008 budget is as follows:

| | |
|-----------------------------|-----------|
| Commissioner's Salary | \$1000.00 |
| Insurance | \$ 350.00 |
| Social Security | \$ 80.00 |
| Retirement | \$ 144.00 |
| State Engineer's Assessment | \$ 120.00 |
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| Total | \$1694.00 |

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A motion was made by Kedric Somerville to accept the budget. The motion was seconded by Rigby Wright. The motion passed. A motion was made by Clem Washburn to set the assessment at \$2000.00. The motion was seconded by Kedric Somerville, and the motion passed.

The assessment to the users will be made as follows:

| | |
|--------------------------------------|-----|
| San Juan County Conservancy District | 60% |
| Blue Mountain Irrigation Company | 10% |
| Gary Halls | 10% |
| Monticello City | 10% |
| Pioneer Ditch c/o Monticello City | 10% |

Chairman Halls indicated that a committee should be appointed to serve during 2008. After a brief discussion by the group, Kedric Somerville made a motion to keep the same committee that served in 2007. The motion was seconded by Francis Barton. All voted in the affirmative. The committee consists of the following individuals:

| | |
|------------------|------------------------------------|
| Gary Halls | Chairman |
| Bruce Adams | Vice Chairman |
| Clarence Pehrson | Pioneer Ditch |
| Clem Washburn | Spring Creek |
| Joseph Barton | Verdure Creek |
| Rigby Wright | North Creek/Carlisle Water Company |

With no further business the meeting adjourned at 8:06 p.m.

Those in attendance at the meeting included:

| | |
|-------------------|------------------------------------|
| Chet Johnson | Water Commissioner |
| Gary Halls | Chairman / Blue Mountain |
| Clem Washburn | Spring Creek |
| Joseph Barton | Verdure Creek |
| Francis Barton | Verdure Creek |
| Rigby Wright | North Creek/Carlisle Water Company |
| Kedric Somerville | Water User |
| Benny Musselman | Monticello City |
| Lee Sim | Division of Water Rights |
| Marc Stilson | Division of Water Rights |